

# **DISCLAIMER**

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**COMMONWEALTH OF VIRGINIA, ex rel.**

**STATE CORPORATION COMMISSION**

**CASE NO. PUC000020**

**Ex Parte: In re: Investigation of area  
code relief for the 757 Numbering Plan Area**

## **REPORT OF DEBORAH V. ELLENBERG, CHIEF HEARING EXAMINER**

**April 10, 2001**

On January 24, 2000, the North American Numbering Plan Administrator (“NANPA”), in its role as the numbering plan relief planner for Virginia and on behalf of the Virginia telecommunications industry (“Industry”), reported a projected exhaustion of Central Office codes in the 757 Numbering Plan Area (“NPA”) during the first quarter of 2002. That exhaust date was based on Central Office Code Utilization Survey (“COCUS”) projections issued in 1999. The projected exhaust date later changed to the second quarter of 2002 based on the COCUS issued in April 2000. The NANPA conducted a meeting of the Industry on February 17, 2000, during which various NPA relief alternatives were discussed with the objective of reaching an Industry-wide consensus for planning NANPA relief efforts and reaching a single relief plan. On March 30, 2000, the NANPA, by counsel, filed notice of the Industry’s consensus decision to implement an all-services distributed overlay relief plan for the 757 NPA.

On April 12, 2000, the Commission entered an Order Assuming Jurisdiction and Assigning Hearing Examiner. Therein, the Commission: (i) docketed the matter, (ii) assigned a Hearing Examiner, (iii) directed the Examiner to schedule hearings to receive public comments within the area served by the 757 area code, and (iv) ordered the Examiner to direct the Commission’s Division of Communications to publish newspaper notice about the time and place of the public hearings and the address and docket number to which written comments could be sent.

By Hearing Examiner’s Ruling dated June 6, 2000, the procedural schedule for this case was established and local hearings were scheduled for 2:00 p.m. and 7:00 p.m. on July 24, 2000, in Chesapeake; 2:00 p.m. and 7:00 p.m. on July 25, 2000, in Accomack; 2:00 p.m. and 7:00 p.m. on July 27, 2000, in Courtland; and 2:00 p.m. and 7:00 p.m. on July 31, 2000, in Williamsburg. A final hearing was scheduled for September 13, 2000, at the Commission in Richmond to receive any additional public comments, evidence, and oral argument concerning the appropriate area code relief for the 757 area code. The Ruling also provided for public notice of the Petition and the hearings scheduled thereon. The required publication date was extended by Ruling dated June 13, 2000, at the request of the Commission Staff.

The local hearings were convened as scheduled. Pamela Kenworthy, a relief planner for NeuStar, Inc. (“NeuStar”)<sup>1</sup> appeared at each of the local hearings. Ms. Kenworthy described the role and responsibility of NeuStar; the relief alternatives considered by the Industry; and the relief alternatives presented in this proceeding. Four public witnesses also offered testimony in the Chesapeake City Council Chambers, Chesapeake. Seven public witnesses testified in the Board of Supervisors Chambers of the Accomack County Administration Building, Accomack. No public witnesses appeared to offer testimony in Courtland. Ten public witnesses testified in the Williamsburg City Council Chambers, Williamsburg. Over 150 letters and written comments were also received by the Commission in this proceeding.

On September 13, 2000, the final hearing was convened as scheduled in Richmond. Don R. Mueller, Esquire, appeared for Staff. David W. Ogburn, Jr., Esquire, appeared as counsel for Verizon Virginia, Inc. and Verizon South, Inc. Kimberly Wheeler, Esquire, appeared as counsel to NeuStar, Inc. Robert M. Gillespie, Esquire, appeared as counsel to Cox Virginia Telcom, Inc. Stephen W. Watts, Esquire, appeared as counsel to Verizon Wireless.

Proof of the required notice of the Petition was marked as an exhibit and admitted into the record. Copies of the transcripts of the hearings conducted in this case are being filed with this Report.

Written post-hearing comments were filed by the participants on October 17, 2000.

## **SUMMARY OF THE RECORD**

In each of the local hearings, Pamela Kenworthy, an NPA relief planner for Neustar, testified that NeuStar had determined there was a need for relief in the 757 area code. As background information, Ms. Kenworthy explained that the Federal Communications Commission (“FCC”), in an effort to promote competition across all telecommunications services, adopted a new model for administration of the North American Numbering Plan (“NANP”). The FCC formed the North American Numbering Council and ordered it to develop guidelines for number administration. Ms. Kenworthy testified that, as a relief planner for NeuStar, it is her responsibility to monitor central office code utilization trends and collect other information to project NPA exhaust, prepare relief options for each NPA expected to exhaust, and convene an Industry meeting to discuss those various alternatives. She stated that NeuStar is a neutral third-party administrator and has no independent view regarding the relief option selected by either the Industry or by the Commission.

NeuStar convened a relief planning meeting in Norfolk on February 17, 2000, to determine the status of the 757 NPA with the Industry. At that time the Industry estimated that numbers in this area code would exhaust during the first quarter of 2002. That estimate was later revised to project an exhaust in the second quarter of 2002. Ms. Kenworthy testified that the 757 NPA is

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<sup>1</sup> Lockheed Martin IMS was named the NANPA by the Federal Communications Commission in its Third Report and Order on October 9, 1997. The NANPA and other numbering functions were transferred from Lockheed Martin IMS to NeuStar on November 30, 1999. (Transcript 189; Exhibit PK-1, at 1).

running out of telephone numbers due to a combination of new technologies and consumer demand for new phone lines. She stated that due to many choices in service providers, significant increases in products, and the current method of allocating prefixes to telecommunications providers in blocks of 10,000 numbers, it has become necessary to add new area codes to the 757 NPA. At the February 17, 2000, meeting the Industry discussed four relief alternatives, and reached a consensus to recommend to the Commission Alternative 1, the all-services distributed overlay as the preferred means of relief to the 757 NPA. NANPA, on behalf of the Industry, notified the Commission of this recommendation on March 30, 2000.

Ms. Kenworthy explained that the North American Numbering Council developed guidelines to which NeuStar must adhere when preparing relief options. Currently the guidelines allow three different relief methods. One method is a geographic split where an existing NPA is divided into two or more separate geographic areas. One area retains the existing NPA, and the other area or areas obtain a new NPA. The split option provides a single area code for each geographic area. Future splits will reduce the geographic size of the area code. Business customers receiving a new area code would need to revise stationery, business cards, and advertising. Geographic splits permit seven-digit local dialing within the home NPA; however, local calling across the NPA boundary would require ten digits.

A second relief method is called an overlay. In the overlay relief method, one or more NPAs serve the same geographic area. Overlays avoid the need for public and political involvement concerning split boundaries and which side should retain the old area code. An overlay would require customers to dial ten digits or 1 + ten digits for all calls within the geographic area. Subsequent relief would likely be another overlay. Overlays, however, avoid the need for existing customers to change their area code. There is no need to revise stationery, business cards, and advertising unless they contain only seven-digit phone numbers.

A boundary realignment is the third relief method generally considered. This method shifts the boundary so that spare codes in an adjacent NPA could be used in the NPA requiring relief. The guidelines also allow for a combination of methods.

The Petition sets forth four relief plans considered by the Industry. NeuStar provided maps that depict each of the four alternatives. NeuStar also developed a central office code utilization projection to derive the projected life for each of the alternatives. The maps are attached hereto collectively as Attachment 1.

### ***Alternative 1 –All-Services Distributed Overlay***

The first relief alternative is the all-services distributed overlay which would add a new area code to the 757 geographic area and maintain existing geographic boundary lines. All existing customers would retain their current phone numbers, but ten-digit dialing by all customers would be required. Upon the effective date of the new code, overlay NPA codes would be assigned upon request. At the exhaust of the 757 NPA, all code assignments would be made in the new overlay area code. Future relief would also take the form of overlay codes. The projected life of this alternative is eight years.

### ***Alternative 2 – Concentrated Growth Overlay***

Under Alternative 2, a concentrated growth overlay, a new area code would be assigned over only a portion of the 757 NPA. The overlay would be assigned initially to the section of the NPA experiencing the fastest growth. The following rate centers would be in the concentrated growth Area A, which would get the new overlay code: Norfolk Zone 1, Norfolk Zone 2, Norfolk Zone 3, Norfolk Zone 4, and Norfolk Zone 6. The remaining rate centers in the 757 NPA would be in Area B. Customers would retain their current telephone numbers; however, inside Area A, the concentrated growth overlay, ten-digit local dialing by all customers between and within area codes would be required. Seven-digit local dialing would be permitted within Area B which is outside the overlay NPA, but ten-digit dialing would be required for calls into Area A. The life estimate for Area A is 9.2 years; Area B is only 4.3 years. However, as more relief was required, the geographic area served by multiple NPAs could be expanded. Ms. Kenworthy explained that the ultimate life both of Area A and B would therefore be nine years if the overlay is allowed to expand into Area B.

### ***Alternative 3 – Geographic Split***

This plan would divide the 757 area code into two areas by creating a split boundary along rate center boundaries. The following rate centers would be in Area A: Norfolk Zone 1, Norfolk Zone 2, Norfolk Zone 3, Norfolk Zone 4, Norfolk Zone 6. The remaining rate centers in the 757 NPA would be in Area B. A geographic split would require ten-digit local dialing between NPAs in the same extended local calling area but allow seven-digit dialing within the individual NPA. The projected life for Area A is 5.2 years and for Area B is 16.8 years.

### ***Alternative 4 – Geographic Split***

This plan also would divide the 757 NPA along rate center boundaries. Under this alternative a boundary line encompassing approximately the City of Norfolk and the City of Virginia Beach plus Northampton and Accomack Counties would be considered Area A. The following rate centers would be in Area A: Belle Haven, Cape Charles, Chincoteague, Eastville, Norfolk Zone 2, Onancock, Parksley, Tangier, and Temperanceville. The remaining rate centers in the 757 NPA would be in Area B. Relief in Area A is expected to last 8.7 years and in Area B would last 9.1 years under this alternative.

Four public witnesses testified on July 24, 2000, in Chesapeake. All were in favor of the overlay alternative. Nelson Adcock, vice chairman of governmental affairs for the Hampton Roads Chamber of Commerce and president of Geo-Environmental Resources, Incorporated, a consulting engineering firm in Virginia Beach, spoke on behalf of the Chamber's 2800 member firms. He favors an overlay. Mr. Adcock fears that a geographic split would hinder the unity and regional identity of the Hampton Roads region. Secondly, Mr. Adcock stated that a geographic split would place a financial burden on existing businesses in the region. Finally, Mr. Adcock stated that his organization will seek solutions at the federal level with regard to the blocks of telephone numbers assigned to telecommunications companies.

Terry Riley is the executive director of the Hampton Roads Technology Council, an industry trade organization representing the interests of the high-technology industry in the greater Hampton Roads region. He stated that the Council supports an overlay for several reasons. It will lead to a minimum of business disruption and customer confusion; is the easiest to communicate to customers for educational purposes; promotes the regional identity of the Hampton Roads area; and based on the recent experience in Northern Virginia, could be implemented with ease. Mr. Riley also made a few comments from his personal perspective as a retail customer. Mr. Riley is confident that innovative technology will respond to customer demand and make it as easy as possible to do point-to-point communication.

Fred W. Greene, a retired Army officer, currently resides in Virginia Beach; he favors the overlay alternative. Mr. Greene has previously resided in the Washington D. C. and Seattle areas. He stated that Seattle incorporated an overlay. The change there was assimilated very quickly. Mr. Greene believes that the overlay alternative addresses the future needs of the country better than the geographic split method, noting that the previous geographic split was a short-lived solution.

Charles F. Earp favored the overlay alternative. His wife is a small business owner and the overlay method would be less costly for her to implement. Mr. Earp testified that the geographic split alternative would be especially confusing to tourists making reservations in the popular sites of Virginia Beach and Williamsburg. Mr. Earp felt that ten-digit dialing could easily be implemented.

Seven public witnesses testified on July 25, 2000, in Accomack. Pamela Barefoot, a resident and business owner of Craddockville, spoke in favor of the overlay alternative. She, however, later wrote to the Commission in support of Alternative 5.

Mike Carpenter, owner of the 76 Market Street Bed and Breakfast in Onancock, favors the overlay alternative because current customers would retain the same area code. Mr. Carpenter testified that he lost business when his area code changed from 804 to 757. His business relies on incoming telephone calls. Mr. Carpenter requested that when the grace period has ended, the recorded intercept message be modified to advise callers to check for a proper area code. Currently, the message advises only that the number is not a working number, leaving some potential customers to assume that the entity is no longer in business.

Shirley Zamora, a resident and real estate agent from Onancock, testified that the Eastern Shore has a stable population with a slow growth rate. For these reasons, Ms. Zamora suggested that the Eastern Shore retain the current area code. She further testified that ten-digit dialing is difficult and she wants to retain seven-digit dialing.

At the beginning of the evening hearing session in Accomack, I asked Ms. Kenworthy to explore and study another option, namely, an expanded concentrated growth overlay that covers all of the 757 area except the Eastern Shore. The Eastern Shore could thus retain the 757 area code but also seven-digit dialing. This option would be designated as Alternative No. 5.

Four public witnesses testified thereafter; all favored the overlay. Mr. Willie Holland, Jr. testified that the overlay would meet the area's telephone numbering needs for a longer period of

time than the other options. In his opinion, Alternative No. 5 would not be an advisable solution because it would be a patchwork approach.

C. Lee Davis has been a business owner on the Eastern Shore for about 37 years. He has had the expense of changing his area code twice, and knows that it is confusing to his customers. Regarding Alternative No. 5, Mr. Davis said that he really had not had enough time to consider it.

Deborah C. Davis, a resident of Accomack County, commented that dialing ten digits would not be a hardship for anyone, and would actually be less confusing and expensive than the other alternatives.

Rick Bull, superintendent of public schools in Accomack County, explained that the county has 13 schools and other sites. The expense of changing printed materials to reflect a new area code would use funds more properly spent for educational purposes. When questioned about Alternative No. 5, Mr. Bull stated that this option appeared to be not as good as the overlay method.

No public witnesses appeared at either the 2:00 p.m. or 7:00 p.m. hearings in Courtland on July 27, 2000.

Ten public witnesses testified in Williamsburg on July 31, 2000. Eight spoke in favor of the overlay alternative; two witnesses favored Alternative 3.

Ken Moran testified on behalf of Old Point National Bank, which has seventeen branches on the Peninsula and one in Chesapeake. He stated that Old Point prefers the distributed overlay plan. It would be less expensive for existing businesses, and will allow the incorporation of a third or fourth area code as the population grows and additional lines are needed.

C. Wayne Williamson, a resident of Williamsburg, also favored the overlay method. He testified it would eliminate the confusion of changing personal records for the bank, charge cards, and utility accounts. He saw no problem with dialing ten digits, stating that he often makes toll calls to Virginia Beach and Norfolk, and is therefore comfortable with dialing ten digits.

Alan S. Witt also spoke in favor of the overlay. Mr. Witt lives in Newport News and is the managing partner of Witt, Mares & Company, a regional accounting and consulting firm with offices in Virginia Beach, Suffolk, Newport News, Williamsburg, and Richmond. He is currently on the executive committee of the Hampton Roads Partnership, the Pennsylvania Alliance for Economic Development, and the Board of the Hampton Roads Venture Capital Forum. He testified that the Hampton Roads region is naturally divided by rivers and a harbor; it should not be divided further by a geographic split. Mr. Witt favors the overlay method.

Ben R. Altshuler is an active retiree who resides in Williamsburg. He favored Alternative No. 3, because it corresponds to the historic geographic division that exists in the area. He opposes the overlay method because of the difficulty and inconvenience of ten-digit dialing. He further suggested that other possible technological solutions should be investigated. Mr. Altshuler noted that the need for additional numbers is driven not by growth in population but by the growth in technology which necessitates additional phone lines for devices of one sort or another.

Scott Wise is a resident of Williamsburg and is in the real estate business. Mr. Wise favored the distributed overlay, stating that it would be less expensive for small businesses, and less confusing than other alternatives. Further need for additional numbers could be solved by another overlay.

Bruce Goodson, vice chairman of the James City County Board of Supervisors, spoke on behalf of Diamond/Goodson Equipment Corporation, of which he is the president. The Corporation is a regional-based business with locations in Hampton, Norfolk, and Richmond, Virginia. Mr. Goodson favored Alternatives 1 or 2, the overlay or the concentrated overlay, because with these alternatives current customers would not have to change their area codes. He noted that the geographic split which gave the region the 757 area code was short-lived and expensive to businesses. He suggested the Commission consider state-wide ten-digit dialing.

Clyde Hoey, president of the Virginia Peninsula Chamber of Commerce, testified that the Chamber encompasses 2100 member firms in Newport News, Hampton, Poquoson, York County, and James City County. At a recent meeting the Board of Directors favored the overlay alternative. Like the Hampton Roads Chamber of Commerce, they felt this method would best maintain the integrity of the region. Mr. Hoey emphasized that the Chamber is opposed to any geographic split which would drive a wedge between Southside Hampton Roads and the Peninsula. He also testified that businesses which have to change their area codes incur lost business and additional expense. Finally, Mr. Hoey stated that the Board is also concerned about the complexity of competition and was in favor of number pooling.

Gary W. Kelly spoke in favor of Alternative 3 which is a geographic split. Mr. Kelly felt that of the several geographic split alternatives, No. 3 appears to follow jurisdictional boundaries, rather than splitting jurisdictional boundaries.

Lois Carter Fay is a business owner and resident of Williamsburg. She favors the overlay alternative because it is more equitable to require only new businesses to be assigned a new area code.

Donald Crawford favored the overlay, reasoning that it is the simplest choice for both business and personal use. The overlay process could be used again when the need for an additional area code again arises.

On September 13, 2000, a public hearing in this matter was convened in Richmond in the Commission's courtroom. NeuStar offered the testimony of Pamela Kenworthy.<sup>2</sup> Deborah T. Grover, manager for regulatory relations for Verizon Virginia testified on behalf of Verizon Virginia.<sup>3</sup> Francis R. Collins, Ph.D., president of CCL Corporation, offered testimony on behalf of Cox Virginia Telcom, Inc.<sup>4</sup> Thomas J. Curran, director of public policy for Verizon Wireless was

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<sup>2</sup>Transcript 188.

<sup>3</sup>Transcript 239.

<sup>4</sup>Transcript 260.

called to testify on behalf of Verizon Wireless.<sup>5</sup> Alan R. Wickham offered testimony on behalf of Staff.<sup>6</sup>

Pamela Kenworthy again offered testimony on the process NeuStar used to project the exhaust of numbers in an NPA, and then to identify relief options for each NPA projected to exhaust. She stated that such planning is conducted in accordance with the FCC rules and Industry guidelines. She also testified that NeuStar undergoes a neutrality audit in accord with FCC directives. The results of the first quarter 2000 audit were presented.<sup>7</sup>

Ms. Kenworthy testified that during the Industry meeting to address 757 NPA relief, Alternatives 1 through 4 were discussed. No other plans were presented or considered. The Industry consensus<sup>8</sup> was to eliminate from consideration Alternative 2, the concentrated growth overlay, and the two geographic split alternatives. The participants reached a consensus<sup>9</sup> to recommend Alternative 1, the all-services distributed overlay, as the preferred means of relief in the 757 NPA. No consideration was given to Alternative 5 at that time since it was not presented at the Industry meeting.

Ms. Kenworthy proceeded to report the results of her study of Alternative 5.

#### ***Alternative No. 5 – Concentrated Growth Overlay***

With this alternative a new NPA code would be overlaid on the existing 757 NPA except for the Eastern Shore rate centers consisting of Chincoteague, Temperanceville, Parksley, Onancock, Belle Haven, Eastville, Cape Charles and Tangier. Customers would retain their current telephone numbers, however, ten-digit local dialing by all customers between and within area codes in the overlay area would be required. Seven-digit local dialing outside the new overlay NPA, specifically on the Eastern Shore, would be permitted. The projected life for this alternative is expected to be nine years for Area A and 27 years for Area B. Ms. Kenworthy noted however, that the projections for this alternative assume the concentrated growth overlay would be implemented by the 4<sup>th</sup> quarter of 2001.<sup>10</sup> The life expectancy is also dependent on the number of available codes at the time the concentrated growth overlay is implemented.

Verizon Virginia offered the testimony of Deborah T. Grover.<sup>11</sup> Ms. Grover testified that the all-services distributed overlay is the best overall solution for relief in the 757 area for several reasons. She opined that it is less confusing and costly, treats all customers and providers equally, does not divide any communities of interest, does not disrupt any local calling routes, and provides a simplified uniform local dialing pattern throughout the 757 area code. Ms. Grover reported that

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<sup>5</sup>Transcript 310.

<sup>6</sup>Transcript 314.

<sup>7</sup>Exhibit PK-3.

<sup>8</sup> Cox clarified that there was unanimous consensus to eliminate Alternatives 2 and 4, but that it had supported Alternative 3.

<sup>9</sup> Cox further clarified that the consensus to recommend Alternative 1 was not unanimous.

<sup>10</sup>Transcript 198.

<sup>11</sup>Transcript 239; Exhibit DTG-5.



Northern Virginia has experienced a smooth transition to an overlaid area code with 10-digit dialing beginning March 1, 2000, with the introduction of a new 571 NPA over the 703 NPA area. Within two weeks of the change, 97% of local calls placed from access lines served by Verizon Virginia in the 703 area code, were dialed correctly using the new ten-digit dialing plan.<sup>12</sup> At the time of the hearing in this case, 49 NXX codes had been activated in the new 571 overlaid area.<sup>13</sup>

The Industry unanimously rejected Alternatives 2 and 4, but Ms. Grover was also critical of Alternative 3, a geographic split, supported by Cox. She observed that the Hampton Roads area has worked hard to create a sense of regional unity across its jurisdictional boundaries. She further testified that more than 75% of access lines in Area B have local calling back into Area A.<sup>14</sup>

Ms. Grover testified that Alternative 5 also results in inconsistent local dialing patterns within the 757 territory. Seven-digit dialing on the Eastern Shore would be one pattern and ten-digit dialing in the remainder of the 757 area would be a second pattern. She added her concern that tourism is one of the main industries of the Eastern Shore and such inconsistent dialing patterns might present confusion to area visitors as they traveled to the Eastern Shore from Williamsburg or the Hampton Roads area. She also noted that while the Eastern Shore is separated by water from the rest of the 757 area code, it is contiguous to the Eastern Shore of Maryland which does have ten-digit dialing.<sup>15</sup> She observed, however, that such an inconsistent dialing pattern does not seem to be a concern for the Eastern Shore residents who wrote to the Commission. She recognized that the residents of the Eastern Shore overwhelmingly support Alternative 5, and of the remaining alternatives, Alternative 5 is by far the best option.<sup>16</sup> She notes that like the distributed overlay Alternative 5 keeps communities of interest intact, but noted that it does disrupt one local calling route. Cape Charles would have a mixture of seven- and ten-digit dialing. She observed that in many cases Eastern Shore residents take great pleasure in being isolated from the mainland and different from the mainland.

Cox Virginia Telecom, Inc., one of the largest competitive local exchange carriers in Virginia, presented the testimony of Francis R. Collins, Ph.D.<sup>17</sup> Professor Collins testified that Cox favored Alternative 3, a geographic split, but further testified that Alternative 3 should be modified slightly to adjust the line to include Hampton and Newport News with Virginia Beach, Chesapeake and Norfolk which share a community of interest.<sup>18</sup> He observed that typically businesses have been more favorable of a split than residents nationwide but both sides favor splits.<sup>19</sup> His observations were based on surveys conducted in California, Connecticut, and New York.

Dr. Collins opposed an overlay. He testified that in his opinion an overlay is anti-competitive. He offered suggestions for mitigating that effect, however, if the Commission decides to adopt an overlay. He recommends existing competitive local exchange carriers ("CLECs") be

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<sup>12</sup>Exhibit DTG-5, at 9.

<sup>13</sup>Id.

<sup>14</sup>Transcript 248.

<sup>15</sup>Transcript 244.

<sup>16</sup>Transcript 243.

<sup>17</sup>Transcript 260; Exhibit FRC-6.

<sup>18</sup>Transcript 306-307.

<sup>19</sup>Transcript 266.

given the bulk of the remaining NXXs in the old NPA to offset the incumbent carrier's advantage. He further testified that smoothly operating local number portability is critical. Dr. Collins also emphasized the importance of unassigned number porting.

Finally, he testified wireless providers should not be grandfathered. In his opinion, such a proposition shifts the inconvenience and costs of the area code change from the wireless industry to the wire line industry.

Verizon Wireless called Thomas J. Curran as a witness.<sup>20</sup> Verizon Wireless urged the Commission to exercise its authority to provide numbering plan relief and adopt the distributed overlay plan recommended by the Industry as Alternative No. 1. However, Mr. Curran also testified that Verizon Wireless would not object to the adoption of the concentrated growth overlay, Alternative 5, which would provide a measure of relief for the Eastern Shore.<sup>21</sup> He requested wireless customers be permanently grandfathered if the Commission orders a geographic split.

Staff offered the testimony of Alan R. Wickham, deputy director with the Division of Communications for the State Corporation Commission. He adopted a report that had been prepared by Sandra S. Bocclair under his supervision and direction.<sup>22</sup> Staff recommends adoption of Alternative No. 5, a concentrated growth overlay with a clear natural water boundary dividing the overlaid area from Area B, the Eastern Shore. That recommendation was based primarily on customer input from the numerous letters received and testimony given at local hearings. In Staff's opinion, it would not be appropriate to apply a geographic split to the Hampton Roads area because any split would divide a strong community of interest. Mr. Wickham testified that a split would run counter to the measures taken by the community to facilitate and unify their common interest. Mr. Wickham also testified that number conservation authority has now been delegated by the FCC to Virginia.<sup>23</sup> The Commission therefore has the ability to order thousand-block number pooling. There are also other conservation measures such as ordering carriers to turn back codes, that may impact the exhaust of numbers, but Mr. Wickham could not define the specific impact on the 757 area.<sup>24</sup>

The impact and life expectancy of the relief offered by Alternative 5 is also dependent on current utilization of numbers on the Eastern Shore. Therefore, Staff sought and received leave to late file information from a report of the Virginia Telecommunications Industry Association for the year 2000.<sup>25</sup> The report is entitled "Network Access Line and Exchange Data 2000" and identifies central office code utilization on the Eastern Shore. The information in the report offers only the incumbent company's information. There is no CLEC information in the report so the data is useful but incomplete.<sup>26</sup>

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<sup>20</sup>Transcript 309, Exhibit TJC-7.

<sup>21</sup>Transcript 312

<sup>22</sup>Transcript 315.

<sup>23</sup>Transcript 322.

<sup>24</sup>Transcript 324.

<sup>25</sup>Exhibit ARW-9.

<sup>26</sup>Id.

As already noted, over 150 letters and written comments were received. Close to 100 letters were received from Eastern Shore residents and businesses, urging the Commission to adopt Alternative No. 5. The remaining letters and comments were mixed, but only eight letters favored a geographic split and were generally opposed to ten-digit dialing.

Cox Virginia Telecom, Inc. also filed written comments before the hearing and post-hearing comments in addition to the testimony of Dr. Collins. In its comments, Cox continued to favor a geographic split because it believed an overlay has a negative competitive impact on facilities-based entrants. It generally favors a split unless the current NPA is already so small and compact that a split is likely to divide rate centers. In Cox's opinion, Alternative 3 presents relief for the 757 NPA similar to the relief fashioned for the 804 NPA.<sup>27</sup> A geographic split in the 804 area preserved 804 for all rate centers in the Richmond/Petersburg metropolitan area and the rural 804 rate centers to the north and east of Richmond. The rate centers to the south and west of the Richmond/Petersburg metropolitan area were assigned a new area code. Cox asserts that a geographical split need not sever the community of interest between the Peninsula and South Hampton Roads. It argues that multiple NPAs are no more obtrusive to communities of interest than multiple zip codes.<sup>28</sup>

Cox also contends that the manner in which NeuStar conducts its surveys on NXX or central office code depletion patterns may result in double counting. Cox argues that with many carriers in an NPA, and each carrier convinced that it will win the greater number of new customers, each carrier reports to NeuStar on the assumption that it needs NXX codes available to furnish numbers to the customers they hope to serve. NeuStar makes no adjustment in the raw numbers to eliminate double counting. Cox asserts, therefore, that the resulting COCUS reports project depletion faster than is warranted.<sup>29</sup>

The Virginia Cable Telecommunications Association ("VCTA") also filed comments supporting a geographic split and criticizing an overlay plan as anticompetitive. It stated that the Industry "consensus" identified by NeuStar did not mirror the views of its membership. VCTA joined in Cox's recommendation for required guidelines if an overlay is implemented.

AT&T Corporation filed written comments and urged the Commission to adopt competitively neutral area code relief to serve the goals of the Telecommunications Act of 1996. It also asserts that overlays are discriminatory to new entrants because in most instances only the CLECs will be assigned the new area code numbers while the incumbent carriers will continue to assign the old area code numbers with which customers are already familiar. AT&T recommends that if the Commission elects to relieve the 757 area with an overlay, that it allocate all remaining NXXs in the existing NPA in a nondiscriminatory manner in accordance with FCC rules and Industry-developed plans, provide permanent wire line portability, and apply the overlay equally to all telecommunications carriers and services.

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<sup>27</sup>*Ex Parte: In re: Investigation of area code relief for the 804 Numbering Plan Area*, Case No. PUC990159, Order on Area Code Relief (December 1, 2000).

<sup>28</sup>Cox Brief at 6.

<sup>29</sup>Exhibit FRC-6, at 18.

The remaining letters and comments generally favored an overlay. Residents, businesses, and government representatives wrote that changing area codes was costly to small businesses. They argued that an overlay was fair and more convenient, was implemented successfully in Northern Virginia, was least disruptive, and let existing customers keep their numbers. A summary of positions taken in those letters is attached hereto as Attachment 2.

Other post-hearing comments were filed in this case on October 17. Verizon Wireless again advocated the adoption of a distributed overlay relief plan, but in light of the unique circumstances presented by the Eastern Shore, advised that the concentrated growth overlay, Alternative 5, provides a reasonable compromise to the issues presented in this proceeding and submitted that the advantages of a concentrated growth overlay or in the alternative, a distributed overlay far exceed any benefits provided by a geographic split.

Verizon also filed post-hearing comments. Verizon continues to support a distributed overlay because it does not require customers to change their phone numbers, results in uniform dialing patterns throughout the 757 area code, and is supported by a majority of the telecommunications industry. It notes that the concentrated growth alternative supported by Staff has the same advantages except for the residents of the Eastern Shore and Norfolk customers making calls to the Eastern Shore. It recognizes, however, that the Eastern Shore residents appear to prefer keeping seven-digit dialing and under these unique circumstances, Verizon believes that Alternative 5 may be a reasonable alternative to an all-services distributed overlay.

## **DISCUSSION**

The 757 NPA was created by splitting the 804 NPA into two separate geographic areas due to the pending exhaust of that area code. Permissive dialing of the new 757 area code began in July of 1996 and mandatory dialing was effective in February 1997. Now, just over four years later, the exhaust of the 757 NPA is on the horizon. The exhaust of telephone numbers has accelerated in the last few years due to the boom in the wireless market, multiple telephone lines in residences and businesses, and the advent of competitive providers in the Industry. Moreover, the manner in which numbers are assigned, in number blocks of 10,000, has magnified the rate of exhaust. However, there are efforts underway that may affect the rate of exhaust.

One critical effort was enabled on July 20, 2000, when the FCC granted Virginia authority to implement thousand-block number pooling in the 804, 540 and 757 NPAs.<sup>30</sup> Such authority allows numbers to be allocated in blocks of 1,000 rather than 10,000 by a pooling administrator that coordinates the allocation of numbers to a particular service provider with the Number Portability Administration Center. On February 16, 2001, the Commission issued an Order Naming Interim Pooling Administrator and Implementing Number Pooling.<sup>31</sup> The FCC authority required pooling

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<sup>30</sup>*In the Matter of Numbering Resource Optimization*, CC Docket Nos. 99-200, 96-98, NSD File No. L-99-95 (Order released July 20, 2000).

<sup>31</sup>*Commonwealth of Virginia, ex rel. State Corporation Commission Ex Parte: In the matter of implementation of number conservation measures granted to Virginia by the Federal Communications Commission in its order released July 20, 2000*, Case No. PUC000304, Order Naming Interim Pooling Administrator and Implementing Number Pooling, (February 16, 2001).

to be initiated in a single Metropolitan Statistical Area (“MSA”) first. The Commission first ordered implementation in the 804/434 NPA.

On March 27, 2001, the Commission ordered pooling to be implemented in the 757 and 540 area codes by October 12, 2001 and November 15, 2001, respectively.<sup>32</sup> The Commission also directed carriers to return unused thousand number blocks to the pooling administrator. All local number portability- (“LNP”) capable telecommunication service providers were directed to return any blocks of numbers with less than 100 numbers already assigned. The FCC has stressed that conservation is not a substitute for area code relief, but that conservation can slow the exhaust of numbers, and certainly can extend the life of adopted relief plans. In addition, wireless LNP is now required to be implemented by November 24, 2002.<sup>33</sup> CLEC market slowdowns could also affect the exhaust projected for the 757 NPA and the need for immediate relief. A current COCUS report should soon be available, and Commission Staff could and should, with Industry cooperation, conduct an updated study of current utilization to verify the forecast to exhaust. As the Commission considers a relief plan for the 757 area code, current forecasts will aid in the determination of a mandatory implementation date.

Nonetheless, although the timing for implementation will be affected by a number of measures underway, this record is clear that a relief plan for the 757 area must be adopted. The remaining question thus is what form of relief should be implemented. The Commission has clearly found that no one uniform relief plan may be appropriate for every area of the state. The Commission implemented an all-services distributed overlay in Northern Virginia, a highly populated area with no clear geographic split that would have allowed communities of interest to remain intact in the 703 NPA,<sup>34</sup> but that decision did not mandate that the Commission implement other overlays thereafter, as it considers relief plans throughout the state. To the contrary, the Commission has carefully balanced the interests of other affected areas as it considered relief alternatives. It implemented a geographic split with a concentrated growth overlay in the 804 NPA.<sup>35</sup> That NPA included the Richmond/Petersburg metropolitan area and several surrounding towns and counties, a densely populated area with a strong community of interest, but the 804 NPA also included several rural areas. The Commission recently issued an order to address relief for the 540 NPA and there implemented a phased-in three-way geographic split.<sup>36</sup> That area spans the entire western state boundary of Virginia and includes largely rural areas with several distinct metropolitan pockets. The area affected by a relief plan for the 757 NPA includes several densely populated areas with strong communities of interest and the more sparsely populated area on the

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<sup>32</sup>*Ex Parte: In the matter of implementation of number conservation measures granted to Virginia by the Federal Communications Commission in its Order released July 20, 2000*, Case No. PUC000304, Order Implementing Number Pooling in the 757 and 540 Area Codes (March 27, 2001).

<sup>33</sup>*In the Matter of Numbering Resource Optimization*, CC Docket No. 99-200, FCC 00-104, 15 FCC Rcd at 7629-7637 (Order released March 31, 2000).

<sup>34</sup>*Commonwealth of Virginia, ex rel. State Corporation Commission Ex Parte: In re: Investigation of area code relief for the 703 code of Northern Virginia*, Case No. PUC960161, 1998 S.C.C. Ann. Rep. 212.

<sup>35</sup>*Ex Parte: In re: Investigation of area code relief for the 804 Numbering Plan Area*, Case No. PUC990159, Order on Area Code Relief (December 1, 2000).

<sup>36</sup>*Ex Parte: In re: Petition for approval of NPA relief plan for the 540 area code*, Case No. PUC990207, Order on Area Code Relief (February 22, 2001).

Eastern Shore. The affected area here is distinct from other parts of the state and the relief afforded the 757 NPA should consider those distinct characteristics.

Several alternatives under consideration were rejected by Industry consensus, and can also be rejected by the Commission as noncompliant with Industry guidelines or too confusing and disruptive.

Alternative 2, a concentrated growth overlay, must be quickly rejected. It offers a significant level of confusion and uncertainty with no clear advantages. Initially, ten-digit dialing for calls within the overlaid area would be required but seven-digit dialing would be required within the non-overlaid area. Customers in the non-overlaid area making calls into the overlaid area, however, would be required to dial ten digits. Ms. Grover testified that 74% of the ILEC access lines outside the overlaid area would have a confusing mix of seven- and ten-digit dialing. An additional 4% would be subject to a mix of dialing patterns after planned local calling expansions take place in mid-2001.<sup>37</sup> More confusion would result at some future date, now estimated to be only four years away, when the concentrated overlay would be expanded to offer more needed relief. Clearly, this alternative is not appropriate.

Alternatives 3 and 4 both represent geographic splits and should also be rejected for the 757 NPA. The majority of public comment was adamantly opposed to any split, repeatedly stating that geographic division would frustrate years of work by residents, businesses, associations and governments to create a sense of unity throughout the Hampton Roads areas. Alternative 4 would split Virginia Beach and Chesapeake, which share an undisputed community of interest. Unanimous Industry consensus rejected Alternative 4, and so should the Commission.

Many commenters addressed problems experienced with the 804/757 geographic split. Many reported lost business, expenses and inconvenience that have proven to be long term. The split lines identified in these alternatives would also interrupt many local calling routes. Verizon witness Grover also testified that Alternative 3 presented 91% of 757 ILEC access lines with inconsistent seven- and ten-digit local calling.<sup>38</sup>

Cox, however, continues to urge the Commission to approve Alternative 3, or some modification of that alternative. Yet Alternative 3 splits Newport News and Hampton from Norfolk, Virginia Beach, and Chesapeake, areas which undisputedly share strong common interests. Dr. Collins suggested that Area A could be expanded to include Newport News and Hampton with Chesapeake, Virginia Beach, and Norfolk.<sup>39</sup> However, the expected life of the relief offered by Alternative 3 is only five years for Area A. If modifications are made to expand Area A to keep those strong communities of interest together, the life expectancy of the relief would be even lower. Industry guidelines discourage adopting a plan of relief that would cause customers to change numbers more than once in less than eight to ten years. Customers in the 757 NPA received a new area code only four years ago. Alternative 3 would require some of the same customers to receive another new area code now and offer only short term relief. Alternative 3 should also be rejected.

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<sup>37</sup>Exhibit DTG-5, at 5.

<sup>38</sup>Id. at 6.

<sup>39</sup>Transcript 305-306.

Only two alternatives remain. Alternative 1 is a distributed all-services overlay. Despite certain disadvantages that are presented with an overlay, it also has a number of advantages and should be considered for densely populated areas. With an overlay, multiple area codes serve each geographic area but avoid shrinking the geographic size of the area code and avoid concerns regarding split boundaries. Existing customers do not have to change their numbers and therefore there is no need to revise stationery, business cards and advertisements unless they contain only seven-digit phone numbers. An overlay would not divide shared communities of interest. As already noted, repeated comment and testimony addressed the strong community of interest in the Hampton Roads area, and offered support for an overlay. An overlay would require ten-digit dialing, but the additional inconvenience of dialing ten digits and having multiple area codes in one geographic area was problematic for only a few commenters and was not as widespread or strongly expressed as the concern with dividing the Hampton Roads area.

Cox criticized the overlay as anticompetitive, however, existing NXX code assignments in the 757 NPA are already somewhat dispersed among several segments of the Industry. Verizon witness Grover testified that all code recipients are subject to the NANP competitive neutral number assignment guidelines, and Verizon is also subject to additional guidelines as exhaust is approached, in order to qualify for new assignments.<sup>40</sup> She stated that CLECs began offering local service in Virginia approximately five years ago and have already amassed a significant number of NXX codes in the 757 NPA.<sup>41</sup> As of September 2000, CLECs have 24% of the assigned NXXs, wireless providers have 26%, and the incumbent has 50%.<sup>42</sup> The introduction of LNP in Virginia also enables customers to retain their telephone numbers when changing providers. Verizon has deployed LNP throughout the 757 territory except for switches in Wakefield and Surry which should be LNP capable in 2001.<sup>43</sup> Thousand block number pooling and the return of unused blocks will further allow existing carriers and new entrants equal access to unused blocks of 757 numbers. The all-services distributed overlay is superior to Alternatives 2, 3 and 4 for this affected area. However, Alternative 5 offers an even preferable and more balanced solution.

I agree with Staff and urge the Commission to adopt Alternative No. 5. It provides long lived and balanced area code relief. It maintains the community of interest in the Hampton Roads area in all respects as well as an all-services overlay, but also considers the uniqueness of the Eastern Shore and allows the Eastern Shore to continue seven-digit dialing. Since the Chesapeake Bay provides a clear and defined boundary between seven-digit dialing and ten-digit dialing, there should be no confusion with different dialing patterns. Alternative 5 is overwhelmingly supported by the close to 100 letters received from Eastern Shore residents and business owners.

The projected life of Area A, the area that would receive the concentrated growth overlay is expected to be nine years, but that life excludes conservation considerations. The projected life of relief for Area B, however, is an impressive 27 years, and is likely to be even longer since that

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<sup>40</sup>Transcript 251.

<sup>41</sup>Transcript 252.

<sup>42</sup>Exhibit DTG-5, at 19.

<sup>43</sup>Id.

projection also excludes conservation measures. Moreover, the chart<sup>44</sup> below shows low utilization in the NXX codes already assigned to the Eastern Shore.

<b>Eastern Shore Exchange Information</b>		
<b>Exchange</b>	<b>NXX Code(s)</b>	<b>Access Lines</b>
Belle Haven	414,442	6,262
Cape Charles	331	2,608
Chincoteague	336	3,958
Eastville	678	1,758
Onancock	302, 787, 789	7,180
Parksley	665	2,918
Tangier	891	359
Temperanceville	824, 854	6,722

The Commission recently directed the return of unused blocks of numbers; however, if the NXX codes previously assigned to the Eastern Shore and several additional codes are reserved for future assignment on the Eastern Shore, it should be a very long time before their numbers are exhausted.

Finally, the overlay relief offered by either Alternative 1 or 5 works well with the unknown effects of code conservation measures. An overlay can be put in place as a backup plan, but since the effect of the overlaid NPA will not be realized until the first NXX code in the new NPA is either required or requested, the effect on the end user could be delayed well into the future with implementation of conservation measures.

I recommend that permissive ten-digit dialing be authorized six months from the date of a final order in this case. A reasonable permissive ten-digit dialing period is necessary to allow ample time for customer education. Moreover, a permissive period is critical for some businesses, such as alarm companies, that have equipment that must either be reprogrammed for ten-digit dialing, or replaced. Six months or longer should provide ample time for such education or equipment work. Mandatory ten-digit dialing, however, should be postponed until exhaust is imminent. Currently exhaust is projected to be in the second quarter of 2002; however, the conservation measures and current market discussed earlier are expected to further delay exhaust. A current study by Staff will aid the Commission in its determination of the date to order mandatory implementation of a relief plan.

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<sup>44</sup>Exhibit ARW-9.



## **FINDINGS AND RECOMMENDATIONS**

In conclusion, based on the evidence received in this case, and for the reasons set forth above, I find that the Commission should approve Alternative No. 5, a concentrated growth overlay covering all but the Eastern Shore, as the best method for area code relief in the 757 NPA. However, Staff should also prepare and file an updated study of current number utilization to verify the forecast to exhaust in the 757 NPA. Accordingly,

***I RECOMMEND*** that the Commission enter an order that:

1. ***ADOPTS*** the findings in this Report;
2. ***APPROVES*** Alternative 5 for area code relief for the 757 area code;
3. ***DIRECTS*** NXX codes currently assigned to the Eastern Shore and several additional codes to be reserved for future assignment on the Eastern Shore;
4. ***REQUIRES*** permissive ten-digit dialing in the concentrated growth overlay area to begin six months from the date of a final order herein; and
5. ***DIRECTS*** Staff, with Industry cooperation, to prepare and file an updated study of current number utilization to verify the forecast to exhaust in the 757 NPA.

## **COMMENTS**

The parties are advised that any comments (Section 12.1-31 of the Code of Virginia and Commission Rule 5:16(e)) to this Report must be filed with the Clerk of the Commission in writing, in an original and fifteen (15) copies, within fifteen (15) days from the date hereof. The mailing address to which any such filing must be sent is Document Control Center, P.O. Box 2118, Richmond, Virginia 23218. Any party filing such comments shall attach a certificate to the foot of such document certifying that copies have been mailed or delivered to all counsel of record and any such party not represented by counsel

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Deborah V. Ellenberg  
Chief Hearing Examiner